UNITED STATES OF AMERICA Before The OFFICE OF THRIFT SUPERVISION

In the Matter of:

KAREN M. WILLIAMS

Former Employee and Institution-Affiliated Party of:

M & I BANK, S.S.B. SHEBOYGAN, WISCONSIN OTS Order No. CHI-95-03

Dated: January 17, 1995

STIPULATION AND CONSENT TO ENTRY OF AN ORDER OF PROHIBITION

WHERRAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Karen M. Williams ("WILLIAMS"), former employee and institution-affiliated party of M & I Bank, S.S.B., Sheboygan, Wisconsin (" M & I Bank" or the "Institution"), that the OTS is of the opinion that grounds exist to initiate an administrative prohibition proceeding against WILLIAMS pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"),

WHEREAS, WILLIAMS desires to cooperate with the OTS to

^{1.} All references in this Stipulation and Consent and the Order of Prohibition to the U.S.C. are as amended.

avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, but admitting the statements and conclusions in Paragraph 1 below, hereby stipulates and agrees to the following terms:

- 1. <u>Jurisdiction</u>. (a) M & I Bank, at all times relevant hereto, was a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1462(4). Accordingly, M & I Bank was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).
- (b) WILLIAMS, as a former employee of M & I Bank, is deemed to be an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u), having served in such capacity within six (6) years of the date hereof (see 12 U.S.C. § 1818(i)(3)).
- (c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain an enforcement proceeding against institution-affiliated parties. Therefore, WILLIAMS is subject to the authority of the OTS to initiate and maintain a prohibition proceeding against her pursuant to Section 8(e) of the FDIA, 12 U.S.C. § 1818(e).

- 2. <u>Consent</u>. WILLIAMS consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). WILLIAMS further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.
- 3. Finality. The Order is issued by the OTS under the authority of Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director or designee for the Central Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

4. Waivers. WILLIAMS waives the following:

- (a) the right to be served with a written notice of the OTS's charges against her (referred to as a Notice of Intention to Prohibit) (see Section 8(e) of the FDIA);
- (b) the right to an administrative hearing of the OTS's charges against her (see Section 8(e) of the FDIA); and
- (c) the right to seek judicial review of the Order, including, without limitation, any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

- Indemnification. WILLIAMS shall neither cause or permit I Bank (or any successor institution, holding company, subsidiary or service corporation thereof) to incur, directly or indirectly, any expense for any legal (or other professional expenses) incurred relative to the negotiation and issuance of the Order of Prohibition, nor obtain any indemnification (or other reimbursement) from Institution the (or any institution, holding company, subsidiary or service corporation thereof) with respect to such amounts. Any such payments received by or on behalf of WILLIAMS in connection with this action shall be returned to M & I Bank (or the successor institution, holding company, subsidiary or service corporation thereof).
- 6. Other Government Actions Not Affected. (a) WILLIAMS acknowledges and agrees that the consent to the entry of the Order is for the purpose of resolving this prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of WILLIAMS that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.
- (b) By signing this Stipulation and Consent to Entry of an Order of Prohibition, WILLIAMS agrees that she will not assert this proceeding, her consent to the entry of the Order, and/or the entry

of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other federal or state governmental entity.

7. Acknowledgment of Criminal Sanctions. WILLIAMS acknowledges that Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), sets forth criminal penalties for knowing violations of the Order.

WHEREFORE, WILLIAMS executes this Stipulation and Consent to Entry of an Order of Prohibition, intending to be legally bound hereby.

By:	Accepted By: Office of Thrift Supervision
Haren M. Williams	Gondof N. Karr
KAREN M. WILLIAMS	ROMALD N. KARR 7 REGIONAL DIRECTOR CENTRAL REGIONAL OFFICE
Dated: Jan. 13, 1995	Dated: 1-17-95

UNITED STATES OF AMERICA Before The OFFICE OF THRIFT SUPERVISION

In the Matter of:

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KAREN M. WILLIAMS

Former Employee and Institution-Affiliated Party of:

M & I BANK, S.S.B. SHEBOYGAN, WISCONSIN OTS Order No. CHI-95-03

Dated: January 17, 1995

ORDER OF PROHIBITION

WHEREAS, Karen M. Williams ("WILLIAMS") has executed a Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation"); and

WHEREAS, WILLIAMS, by her execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e); and

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, finds that between approximately January 1994 and continuing through June 1994,

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WILLIAMS, former employee and institution-affiliated party of M & I Bank, Sheboygan, Wisconsin ("M & I Bank" or the "Institution") knowingly and willfully embezzled and misapplied funds in the amount of \$2,900 belonging to or under the custody or care of M & I Bank.

The OTS further finds that: (1) WILLIAMS' conduct constituted a violation of law, an unsafe and unsound practice, and a breach of WILLIAMS' fiduciary duty to M & I Bank and further constituted a reckless disregard for the law and applicable regulations; (2) as a result of WILLIAMS' conduct, the interests of M & I Bank's depositors could be prejudiced and WILLIAMS has received financial gain or other benefit; and (3) the violation of law, unsafe and unsound practice and breach of fiduciary duty involved personal dishonesty by WILLIAMS.

NOW THEREFORE, IT IS ORDERED that:

- 1. WILLIAMS is prohibited from further participation, in any manner, in the conduct of the affairs of M & I Bank and any successor institution, holding company, subsidiary, and/or service corporation thereof.
- 2. WILLIAMS shall not hold any office in, or participate in any manner in the conduct of the affairs of any Federally

regulated depository institution or any of the other entities that are described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C.

- \$ 1818(e)(7)(A), without the prior written approval of the OTS (acting through its Director or an authorized representative thereof) and, the "appropriate Federal financial institutions agency" for the regulatory Federally regulated depository institution which is involved. Due to the operation of Section 8(e)(6) of the FDIA, 12 U.S.C. § 1818(e)(6), conduct prohibited by this Order, without said prior written approval of the OTS and the "appropriate Federal banking agency", also includes, without limitation: (1) soliciting, procuring, transferring, attempting to transfer, voting, or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in Section 8(e)(7)(A) of the FDIA, 12 U.S.C.
- § 1818(e)(7)(A); and (2) voting for a director, or serving as an institution-affiliated party.
- 3. The Stipulation is made a part hereof and is incorporated herein by this reference.
- 4. This Order is subject to the provisions of Section 8(j) of the FDIA, 12 U.S.C § 1818(j), and shall become effective on the date it is issued, as shown in the caption above.
 - 5. WILLIAMS shall promptly respond to any request from the

OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

THE OFFICE OF THRIFT SUPERVISION

RONALD N. KARR REGIONAL DIRECTOR

CENTRAL REGIONAL OFFICE